

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR PART 902

**[Docket No. FR-4497-F-02]
RIN 2577-AC08**

**Public Housing Assessment System (PHAS);
Transition to the PHAS**

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, and Office of the Director of the Real Estate Assessment Center, HUD.

ACTION: Notice.

SUMMARY: This notice advises of transition assistance that will be provided in connection with implementation of the Public Housing Assessment System (PHAS) for public housing agencies (PHAs) with fiscal years ending on September 30, 1999, and December 31, 1999.

DATES: October 21, 1999

FOR FURTHER INFORMATION CONTACT: For further information contact the Real Estate Assessment Center (REAC), Attention: Wanda Funk, U. S. Department of Housing and Urban Development, 1280 Maryland Avenue, SW, Suite 800, Washington DC, 20024; telephone Customer Service Center at (888)-245-4860 (this is a toll free number). Persons with hearing or speech impairments may access that number via TTY by calling the Federal Information Relay Service at (800) 877-8339. Additional information is available from the REAC Internet Site, <http://www.hud.gov/reac>. Persons with hearing or speech impairments may access that number via TTY by calling the Federal Information Relay Service at (800) 877-8339.

SUPPLEMENTARY INFORMATION

HUD's rule implementing the PHAS was published on September 1, 1998 (64 FR 46596), and became effective October 1, 1998. Although the PHAS regulation became effective October 1, 1998, the September 1, 1998 final rule provided PHAs with a delayed implementation date for the PHAS. The final rule took into consideration the time that was needed by PHAs to make the transition to the new assessment system. As provided by the September 1, 1998 final rule, the PHAS was scheduled to be implemented for PHAs with fiscal years ending on and after September 30, 1999.

On June 22, 1999 (64 FR 33348), HUD published a proposed rule to amend certain provisions of the PHAS regulation, codified at 24 CFR part 902. The Quality Housing and Work Responsibility Act of 1998 (Pub.L. 105-276, approved October 21, 1998) (commonly referred to as the "Public Housing Reform Act") made certain changes to the statutory basis for the PHAS, which needed to be reflected in the regulation. Additionally, during the scheduled PHAS transition year (September 1998 to September 1999), HUD gained experience and valuable information from its physical inspection of PHA properties, testing the PHAS systems, and talking to PHAS about the PHAS. As a result of the experience and information gained, HUD determined that certain changes should be made to the PHAS regulation. These changes were described in the preamble to the June 22, 1999, proposed rule.

HUD's public comment period on the June 22, 1999, proposed rule closed August 23, 1999. Many of the PHAS who commented on this rule have fiscal years ending September 30, 1999, and December 31, 1999, making them the first PHAS to be issued PHAS scores under the September 1, 1998 rule. These PHAS requested additional time to prepare for compliance with the PHAS requirements, and HUD will grant them additional time as provided in this notice.

PHAS with Fiscal Years Ending 9/30/99 and 12/31/99

For PHAS with fiscal years ending September 30, 1999, or December 31, 1999, HUD will not issue PHAS scores for the fiscal years ending on these dates. For these PHAS, in lieu of a PHAS score, HUD will issue the following:

PHAS Advisory Score. A PHA with a fiscal year ending September 30, 1999, or December 31, 1999, will be issued a PHAS advisory score. The PHA must comply with the requirements of 24 CFR part 902 (the PHAS regulation) so that HUD may issue the advisory score.

1. Physical inspections will continue to be performed by HUD, as part of the PHAS advisory score process, using HUD's uniform physical inspection protocols. In the event, however, that changes are made to HUD's Dictionary of Deficiencies, PHAS advisory scores will be revised and reissued to reflect these changes.

2. For these PHAS to successfully make the transition to the PHAS, they must comply with the requirements of PHAS, and be assessed by HUD under the PHAS, if only on an advisory basis.

Management Assessment Score. A PHA with a fiscal year

ending September 30, 1999, or December 31, 1999, will receive an assessment score on the basis of HUD's assessment of the PHA's management operations in accordance with 24 CFR part 902, subpart D of the PHAS regulation (PHAS Indicator #3, Management Operations).

PHAs with Fiscal Years Ending After 12/31/99

PHAs with fiscal years ending after December 31, 1999 will be issued PHAS scores.

HUD is completing work on its final rule to follow the June 22, 1999 proposed rule. HUD will issue a consensus-based final rule that will reflect the provisions of this Notice, address the public comments, and describe all changes to the PHAS regulation made as a result of the public comment and review process.

Dated: October 15, 1999

Deborah Vincent,
General Deputy Assistant Secretary for Public and Indian
Housing
Donald J. LaVoy,
Acting Director, Real Estate Assessment Center
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